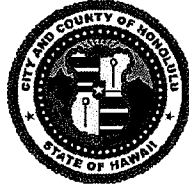


DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI  
MAYOR



DAWN TAKEUCHI APUNA  
DIRECTOR DESIGNATE

JIRO SUMADA  
DEPUTY DIRECTOR

February 14, 2023

The Honorable Linda Ichiyama, Chair  
and Members of the Committee on Water & Land  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Ichiyama and Committee Members:

**Subject: House Bill No. 814, HD 1  
Relating to Affordable Housing**

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 814, HD 1, which would require the counties to adopt ordinances to allow religious, educational and medical institutions to build housing units on land they own regardless of current zoning restrictions.

This Bill would provide certain groups preference over others. We find it problematic that without a connection between the "institution" and the housing that additional rights should be granted to certain land owners, but not others. We also believe this Bill oversteps county homerule responsibilities, and overrides county plans and regulations.

The Bill calls into question the purpose of the zoning ordinances if select institutional owners alone were awarded new development rights. Homes would be allowed on all land, including those zoned preservation and restricted agricultural.

Also, this Bill's title states that it is, "Relating to Affordable Housing," but there is no mention in the Bill that any of the homes produced and sold or rented by these institutions must meet the definition of affordable homes. It also is not clear what is meant that housing units developed on an institution's property "shall be retained by the institution for thirty years prior to the institution offer (sic) the housing unit for sale." Does this mean the homes will only be available for rent, or to members of that institutions, for 30 years? Will the general public be eligible to rent a home? Will anyone be able to live in a home during the 30-year period?

The Honorable Linda Ichiyama, Chair  
and Members of the Committee on Water & Land  
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House Bill No. 814, HD 1  
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In so many ways, this Bill is unfair and likely unconstitutional because it would give preference for development rights to particular groups.

We ask that Bill No. 814, HD 1, be held in Committee.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dawn Takeuchi Apuna', with a stylized, flowing script.

Dawn Takeuchi Apuna  
Director



February 14, 2023

8:30 a.m.

Conference Room 430

Via Videoconference

**To: House Committee on Water & Land**

**Rep. Linda Ichiyama, Chair**

**Rep. Mahina Poepoe, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: HB814 HD1 — RELATING TO AFFORDABLE HOUSING

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [HB814 HD1](#), which would require counties to adopt ordinances allowing religious institutions, educational institutions and medical institutions to build housing units on their own land for purchase in fee simple or for use by the institutions, their employees, or their contractors, regardless of current zoning restrictions.

We commend the Legislature for considering ways to increase Hawaii's housing supply through zoning reform. It is important to recognize the role that zoning plays in restricting housing growth, and to think creatively about how we can streamline building permissions and approvals for new housing.

This bill proposes one such creative approach. By allowing schools, hospitals and religious institutions to create housing on their own properties, this legislation would simultaneously help them with their recruitment and retention issues by enabling them to more easily provide affordable housing for their employees.

Nonprofit institutions that have been prevented from creating housing for their own staff would be able to offer a convenient on-campus housing benefit, thereby freeing up more housing for local families.

By limiting the acreage and use of the housing, this bill should ease any concerns that the institutions would take advantage of the by-right housing initiative to create large developments.

In addition, there is no need to fear that the inclusion of residential properties next to these institutions would cause any health or safety concerns, nor would it disturb the intent of any county or municipal plans.

In fact, mixed-use zoning, such as allowing residential construction in commercial zones, is a popular tool for encouraging the growth of housing without requiring large-scale development.

For more information on the ways that zoning can throttle the growth of housing, please refer to the zoning reform toolkit, [“How to Build Affordable, Thriving Neighborhoods.”](#) produced by the State Policy Network, which explores different ways to grow housing and improve affordability by reforming state and local zoning restrictions. If you would like us to provide you a copy of that report, please let me know.

We are pleased that HB814 embraces two principles in the zoning toolkit:

>> It allows for creative options aimed at solving serious social problems related to housing — especially as housing from such institutions will likely be aimed at better serving local communities or helping those with the greatest need.

>> It reduces the bureaucratic burden involved in building such housing by allowing those institutions to construct that housing regardless of local zoning laws.

We do have one concern about the bill in its current form. Since we testified on it earlier, it has been amended to require the institutions to own housing units for 30 years before offering them for sale.

The intent of this amendment is to prevent organizations from profiting off of the construction of housing, but we fear that this addition would frustrate the goal of the bill as a whole.

It must be stressed that the organizations given this right are nonprofits using their own land, and that their ability to profit in a general sense is thereby constrained. In addition, even if the

organizations providing housing via this bill were to obtain some financial benefit from doing so, that should not be seen as a negative, if the outcome is to create more affordable housing for Hawaii residents.

If enacted with the 30-year sale constraint, this bill would create an unnecessary barrier that could discourage nonprofit organizations from building these units, possibly forcing them into a landlord relationship that they are unable or unwilling to maintain.

Nonetheless, the general intent of this bill is a good one. By allowing religious, medical and educational institutions to build affordable housing on their own lands, regardless of existing zoning restrictions, this bill would take a positive step toward addressing the state housing shortage.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas

Director of Strategic Campaigns, Grassroot Institute of Hawaii



Monday, February 13, 2023

Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee,

**I'm writing to express Hawai'i YIMBY's support of HB 814**, which would allow schools, hospitals, and religious institutions to build housing for employees and contractors on their own property, regardless of current zoning restrictions.

With Hawai'i's cost of housing so severely steep, workforce housing for professionals like teachers and nurses is badly needed. Other legislation has taken the targeted approach of authorizing site-specific solutions, but this bill would go a step beyond, by more broadly legalizing building on-site workforce housing for nonprofit institutions. And its thirty-year no-sale provision is a smart guardrail to ensure the housing this bill produces goes to the local workers who most need it.

Unlocking on-site housing for professionals is gaining traction as an innovative and efficacious solution for high housing costs. Cities all over the country have begun initiatives to build workforce housing for teachers and school employees, from California to Colorado to New Mexico, and hospitals across the country have done the same, from New York to Wyoming to Georgia. As staffing shortages grow along with the cost of housing, on-site employee housing is becoming critically important to keeping vital institutions well-staffed. With our housing crisis continuing to devastate the low- and middle-income workforce, it's crucial we remain on the forefront of finding solutions.

When the institutions we depend on for needs as important as our health and our children's education are suffering, we all suffer along with them. It's just another way the housing crisis pervades and corrodes every aspect of our lives. This bill provides a unique opportunity to fight back, and we should seize it.

We urge your support for this bill. Thank you for the opportunity to testify.

Mahalo,  
Matt Popovich

Hawai'i YIMBY  
[hawaiiyimby.com](http://hawaiiyimby.com) | [matt@hawaiiyimby.com](mailto:matt@hawaiiyimby.com)

**HB-814-HD-1**

Submitted on: 2/13/2023 10:30:11 AM

Testimony for WAL on 2/14/2023 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alan Urasaki	Individual	Support	Written Testimony Only

Comments:

I urge the committee to support this measure. Mahalo.